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October 16, 2001

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
Room TW-A325, The Portals  
445 Twelfth Street, SW  
Washington, D.C. 20554

RE: In the Matter of Applications for Consent to the Transfer of Control of Licenses  
And Section 214 Authorizations from Ameritech Corporation, Transferor, to SBC  
Communications Inc., Transferee.  
(CC Docket No. 98-141)

Dear Ms. Salas:

SBC Communications Inc. (SBC) submits the attached "Supplemental Information to the 2000 Compliance Report to the FCC" as a supplement to the "Annual Compliance Report" filed with the Commission on March 15, 2001.

The purpose of the attached report is to address compliance information relevant to the 2000 calendar year that was discovered subsequent to filing the March 15, 2001 report and to correct two dates inadvertently misstated in that report.

If you have any questions regarding this report, please contact me or Michelle Thomas at (202) 326-8919.

Sincerely

A handwritten signature in cursive script, reading "Caryn D. Moir".

Attachment

cc: Ms. Carol Matthey  
Mr. Anthony Dale  
Mr. Mark Stephens

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**SBC Communications Inc.**

**SBC/Ameritech Merger Conditions  
Supplemental Information to the 2000  
Compliance Report to the FCC**

Cassandra Carr  
Senior Executive Vice-President  
External Affairs  
SBC Communications Inc.

October 15, 2001

**Merger Compliance Report – March 15, 2001**  
**Supplemental Version – October 15, 2001**  
**SBC Communications Inc.**

**Supplemental Discussion of Compliance by Merger Condition**

The Merger Conditions require SBC to submit an annual compliance report by March 15 for the preceding calendar year. On March 15, 2001, the Company filed its Compliance Report for the 12 months that ended December 31, 2000 ("March 15 Report"). In the Report of Management on Compliance With the Merger Conditions dated August 31, 2001 ("the August 31, 2001 Report"), the Company indicated that it would file a supplement to the March 15, 2001 Compliance Report to address compliance information relevant to the 2000 calendar year that was discovered subsequent to issuance of the March 15, 2001 report, and therefore was not listed therein. This Supplemental Report provides such supplemental information, and should be read in conjunction with the March 15, 2001 Report.

This Supplemental Report is divided into two sections. Section A provides information concerning those items relevant to the 2000 calendar year but which were not identified in the March 15, 2001 Report because they were discovered after that date. Section B provides information that corrects the two dates inadvertently misstated in the March 15 2001 Report.

**A.**

**Information Regarding Items Identified Subsequent to March 15, 2001**

*1. Separate Affiliate For Advanced Services*

- Subsequent to filing the March 15 2001 Report, the Company discovered the following affiliate transaction errors which occurred in 2000 and have been corrected or are in process of correction:
  1. Inaccurate calculations affecting the quantity and total value of customer accounts transferred from Nevada Bell, Pacific Bell, and Southwestern Bell to ASI.
  2. Various administrative errors in affiliate transactions between the ILECs and the Advanced Services affiliates, including isolated cases where ASI work locations were not included in affiliate agreements with the ILECs and instances of inaccurate billing of services provided by the ILECs to ASI, or from ASI to an ILEC.
  3. Certain affiliate agreements posted to the Internet after April 5, 2000 inaccurately described a service as Network Planning & Engineering provided by the ILECs to ASI when the services provided were actually related to the oversight of installation of ASI equipment.

## **Merger Compliance Report – March 15, 2001**

### **Supplemental Version – October 15, 2001**

#### **SBC Communications Inc.**

- In the Ameritech States, SBC provided all new activations of non-DSL Advanced Services through a separate Advanced Services affiliate within 30 days of approval of tariffs necessary for the separate Advanced Services affiliate to provide such Advanced Services in each state. However, the company discovered subsequent to March 15, 2001 that a nominal number of new activations of advanced services occurred at the Ameritech ILECs during 2000 and that these accounts were converted to AADS shortly thereafter.
- The ILECs provided performance measures for the Advanced Services affiliates for telephone exchange and exchange access services to the extent that such performance measurements were applicable, as required by Section 272(e)(1). As indicated in the August 31, 2001 Report, after submission of the March 15, 2001 Report, the Company discovered differences in calculations and restated the results for Performance Measurement Two - Time from Bell Operating Company Promised Due Date to Circuit Being Placed in Service for DS3 and Above Circuits.

#### *6. Non-discriminatory Rollout of xDSL Services*

As indicated in the August 31, 2001 Report, beginning on April 1, 2000 (within 180 days of the MCD), SBC began filing quarterly reports with the FCC describing the status of the xDSL roll-out. After March 15, 2001, the Company discovered that in reports filed during 2000, a few wire centers were initially listed in the wrong income group (i.e., some wire centers were listed under the "high income" group when they should have been under the "low income" group, and vice versa). This error was identified, and corrected information was provided to the FCC. It had no impact on SBC's compliance with the requirement to deploy xDSL in 10 percent of the urban or rural wire centers identified from the Low-Income Pool by the time when SBC had deployed xDSL in at least 20 urban or 20 rural wire centers in a particular state.

#### *7. Carrier-to-Carrier Performance Plan (Including Performance Measurements)*

The March 15, 2001 Report indicated that performance measurement data was occasionally restated or corrected prospectively. As indicated in the August 31, 2001 Report, in certain cases where the Company is unable to retrieve the underlying data needed to restate the performance measures, the Company is unable to determine the impact, if any, on the amount of voluntary payments based on these measures.

#### *11. Collocation Compliance*

Subsequent to issuance of the March 15, 2001 Compliance Report to the FCC, the Company became aware of certain instances in which notices of exhausted premises were not posted to the Internet timely. The Company implemented corrective action and modified its posting practices to ensure future postings are made on a timely basis. In addition, the Company became aware of instances in which the Company inaccurately

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billed collocation charges to affiliated and nonaffiliated telecommunications carriers. The Company implemented corrective action where needed to provide future billing correctly, and has or will issue appropriate adjustments.

**B.**

**Items Identified after August 31, 2001**

*7. Carrier-to-Carrier Performance Plan (Including Performance Measurements)*

The March 15, 2001 Report incorrectly indicated that a voluntary payment was remitted to the FCC on December 20, 2000, although the check was physically delivered to the FCC the preceding day.

*8. Uniform and Enhanced OSS*

The target date for completion of Phase 1 of the Uniform Business Rules plan of record originally was February 19, 2001, 150 days following approval of SBC's Uniform and Enhanced OSS Plan of Record. However, the Commission extended the target date to March 15, 2001 in DA 01-454, released February 20, 2001 and further extended the target date to March 28, 2001 in DA 01-594, released March 7, 2001. SBC inadvertently indicated in the March 15, 2001 Report that DA 01-594 extended the target date to March 15, 2001.

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**Supplemental Version – October 15, 2001**  
**SBC Communications Inc.**

Date: 10/15/01

SBC Communications Inc.

By: C.C. Carr

Cassandra Carr

Senior Executive Vice-President

External Affairs

SBC Compliance Officer